

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**

Natwar M. Gandhi  
Chief Financial Officer



**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer

**DATE:** October 3, 2003

**SUBJECT:** Fiscal Impact Statement: "Tax Increment Revenue Bonds  
1000 K, L.L.C. Project Approval Resolution of 2003"

**REFERENCE:** Draft – No Bill Number

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**Conclusion**

Funds are sufficient in the proposed FY 2004 through FY 2007 budget and financial plan to implement the "Tax Increment Revenue Bonds 1000 K, L.L.C. Project Approval Resolution of 2003."

**Background**

The sponsor of the proposed Embassy Suites Hotel project, 1000 K, L.L.C., applied for assistance through the District's Tax Increment Finance program. On October 3, 2003, the Chief Financial Officer certified the project for \$11 million in financial support. The project will build a new all-suites hotel that is intended to provide needed room accommodations and contribute to the revitalization of the Mount Vernon Square area.

It is expected that there will be sufficient incremental real property and sales tax revenues from the project footprint (the proposed TIF area) to pay debt service on the TIF Note and that all incremental revenue will be used for that purpose until the TIF Note is paid off.

This is the first TIF project to be certified within the existing Downtown TIF Area. As stipulated by the Reserve Agreement, the TIF Note for this project will be subordinated to the District's obligations for the Mandarin Hotel and Gallery Place projects.

### **Financial Plan Impact**

Incremental real property and sales tax revenues from the project footprint are expected to be sufficient to cover debt service on the TIF Note.